



Cash Proffers

Revenues and Expenditures

November 1, 2012

Virginia Department of Housing and Community Development



Proffers

- A *proffer* is a voluntary offer by a landowner during the rezoning process.
- *Proffers* impose additional requirements to those required by the underlying zoning, usually to mitigate an impact related to the proposed zoning.
- *Proffers* result in *conditional zoning*, i.e. land that is zoned, with conditions attached.

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- *Cash Proffers* are cash payments voluntarily proffered in writing to offset the impact on capital facilities generated by rezoning property to permit additional density.

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- § 15.2-2302.2 governs the use of cash proffers once collected.
- For proffers pledged after 7/1/05, within seven years of full payment of all cash proffers associated with an approved rezoning application:
 - The locality must begin construction, site work, engineering, right-of-way acquisition, surveying, or utility relocation on the improvements for which the cash was proffered.

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- Otherwise if seven years lapse with no progress toward completing capital improvements, the locality shall forward the amount of the proffered cash payments to the Commonwealth Transportation Board for allocation to that locality's secondary or urban system construction program.

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- Unless prohibited by the proffers, a locality may use proffered cash for capital improvements for alternative improvements of the same category within the vicinity of the improvements for which the cash was originally proffered.
 - Proffers must be notified, public hearing must be held, and governing body must make certain findings.

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- Unless prohibited by the proffers, a locality may use proffered road/transportation funds proffered as matching funds for the VDOT Revenue Sharing Program.
 - The proposed revenue sharing project must be in the locality's capital improvements program.
 - There appears to be no requirement on how the project relates to the property from which the proffered funds originated.

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- Beginning in FY2007:
 - CIPs must include all proffered payments received during the most recent fiscal year.
 - Capital Budgets must include the amount of proffered cash payments projected to be used in the ensuing year.

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Reporting Requirement

- Localities with population in excess of 3,500 must report proffer collections and expenditures (by category) to the Commission on Local Government.
- Data has been collected for years FY2000 to present.

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Cash Proffer Survey 2012

- In July 2012, Commission staff mailed the survey instrument to the local governments that are required to report cash proffer activity.
- Responses were due by September 30th.
- 100% response rate achieved (since the report's inception)

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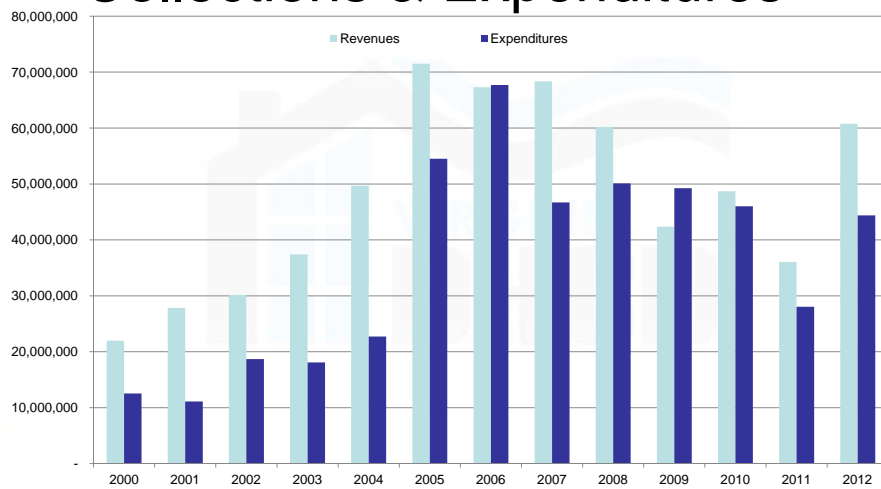
2012 Proffer Survey Results

- 7 Cities, 26 Counties, and 5 Towns (38 jurisdictions) reported cash proffers collected or expended in FY12.
- Collected: \$60.76 million
- Expended: \$44.37 million

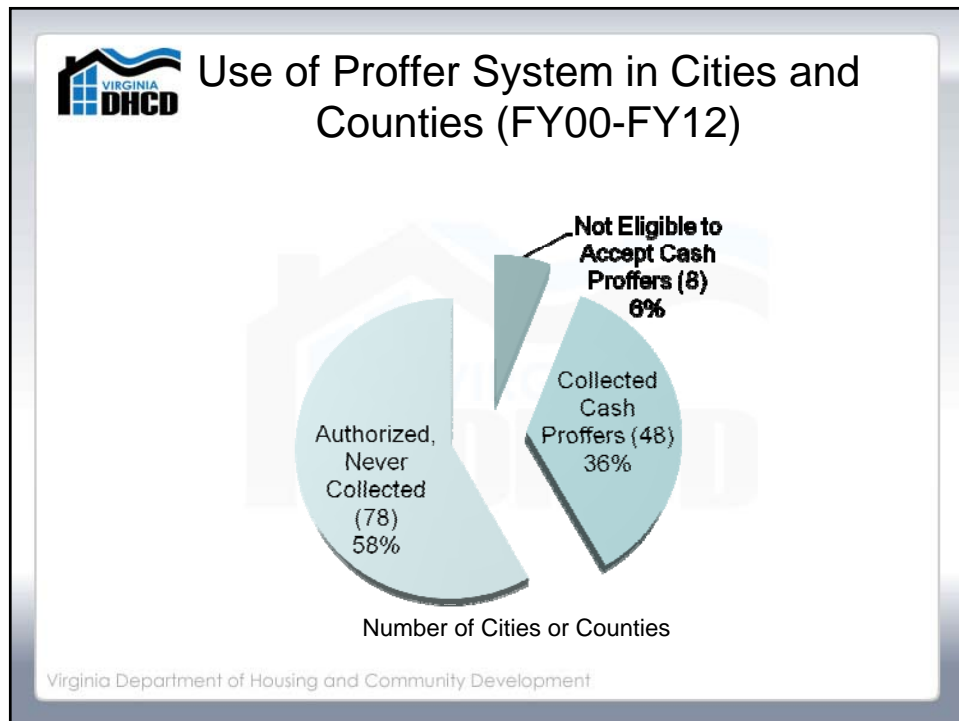
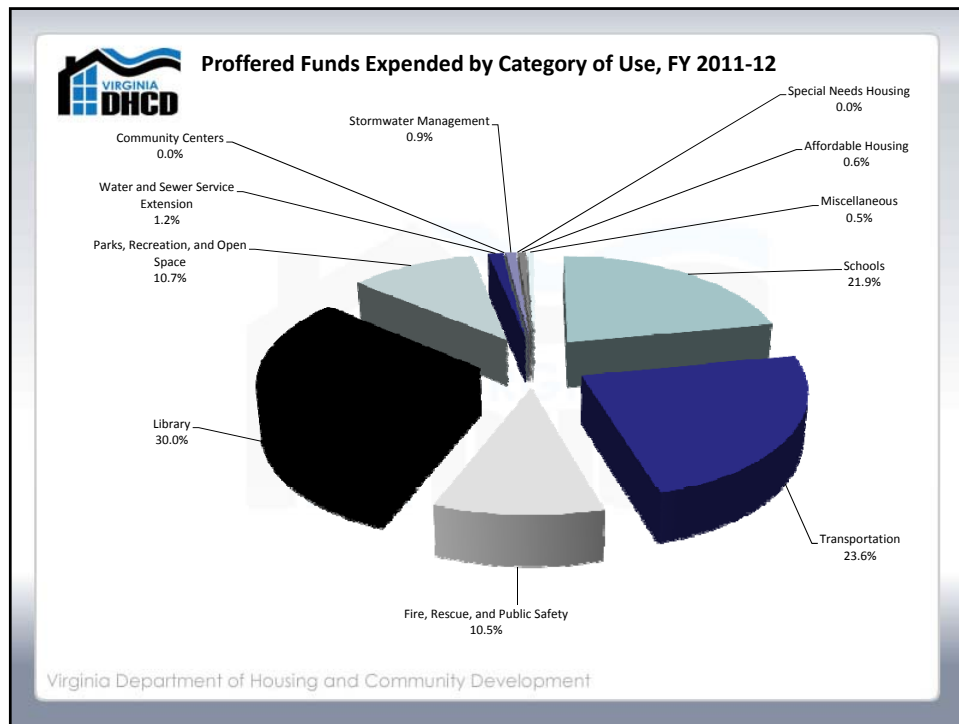
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FY2000-FY2012 Collections & Expenditures



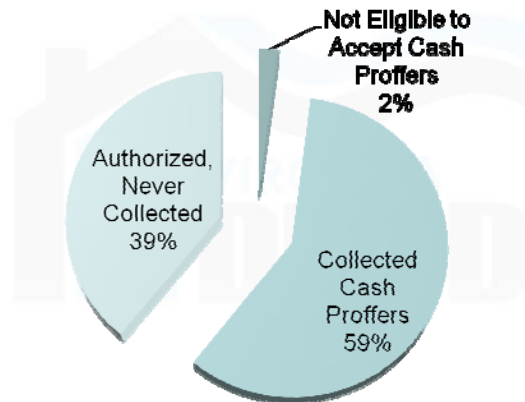
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Use of Proffer System in Cities and Counties (FY00-FY12)

% of Virginia's 2010 population resided in counties or cities that:

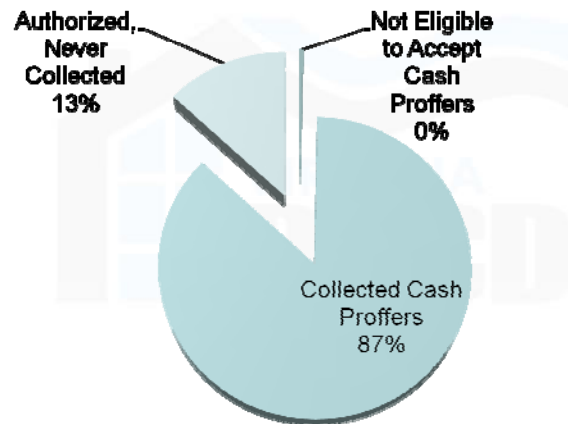


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Use of Proffer System in Cities and Counties (FY00-FY12)

% of Virginia's 2000-2010 population growth occurred in counties or cities that:



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Supplemental Survey Questions

- In response to the request of the Housing Commission, and in consultation with VACo, VML & High Growth Coalition, CLG requested supplemental information from select localities.
- Those selected were jurisdictions with over \$1,000,000 in proffer revenue or expenditures in the previous five years.

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Supplemental Question Localities

- Chesterfield
- Fairfax County
- Frederick
- Hanover
- James City
- Loudoun
- Prince William
- Spotsylvania

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- These eight counties also:
 - Represent 31% of Virginia's 2010 population.
 - Had a combined growth rate of 26% during 2000-2010, compared to the statewide rate of 13%.
 - Absorbed 56% of Virginia's 2000-2010 population growth.
- These localities collected 87.89% and expended 89.64% of FY00-FY12 reported proffers.

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Supplemental Questions

- These eight localities were requested to provide:
 - Annual proffer revenue and expenditure data for FY00-FY12.
 - FY12 end-of-year balance for proffer funds.
 - Copies of cash proffer policies.
- Normally, the annual survey only asks for the prior year's revenue and expenditures.

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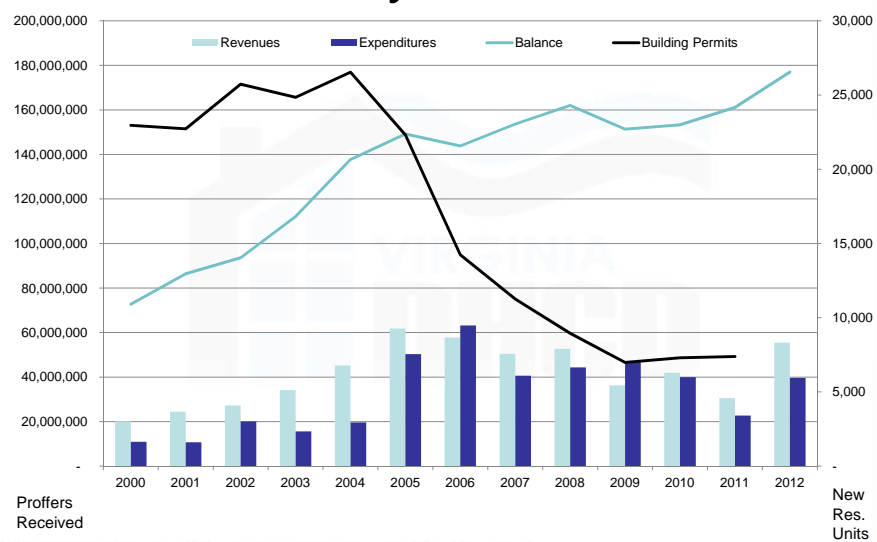


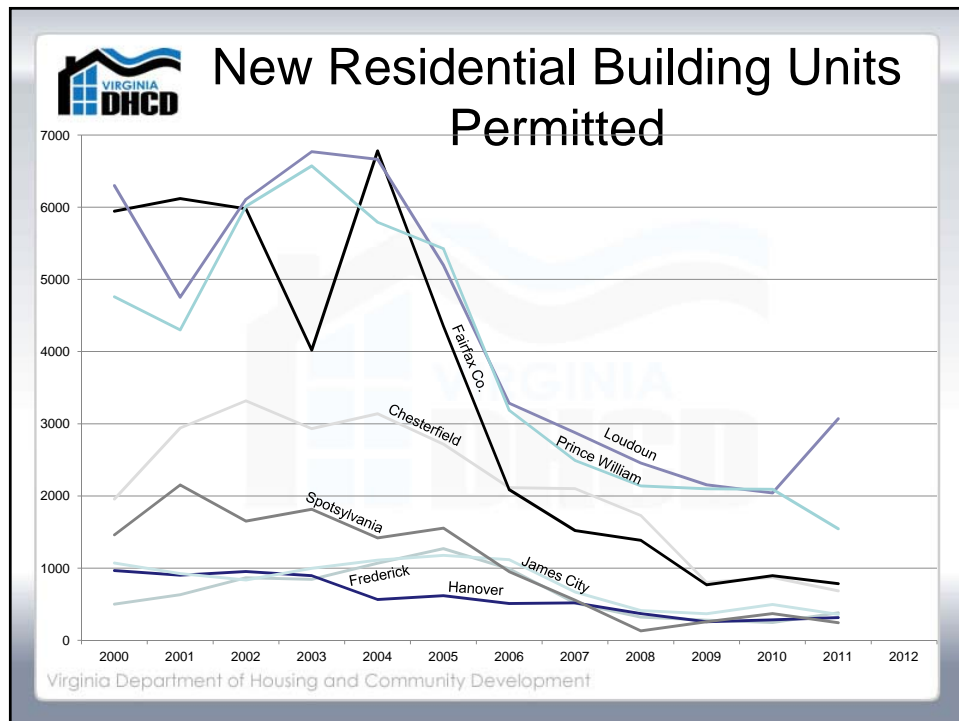
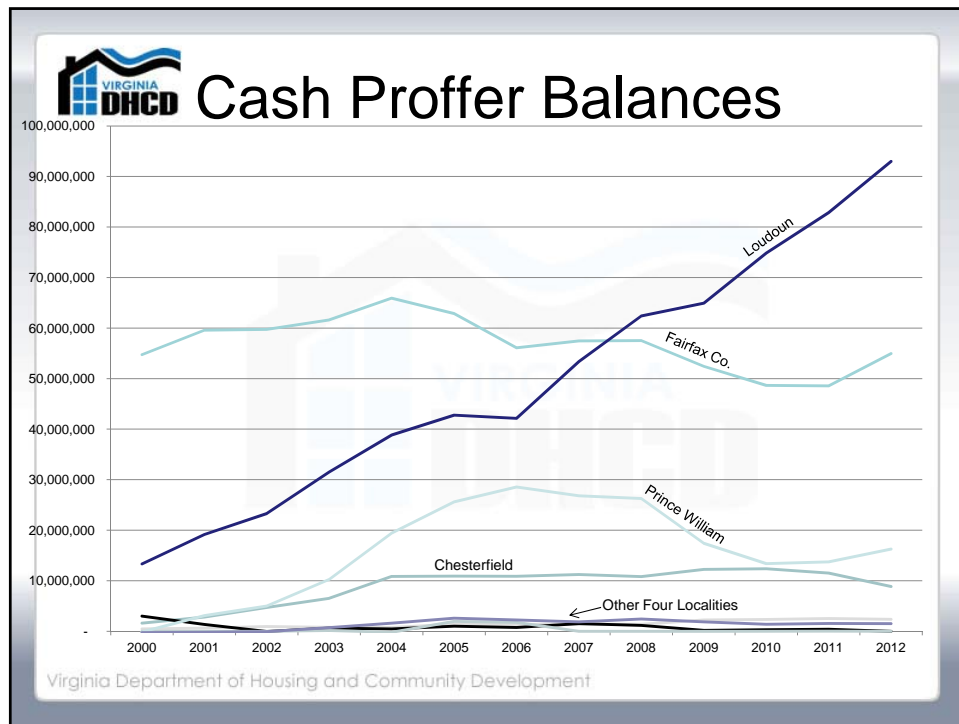
- All of the eight localities responded; however, two (James City and Fairfax Counties) were unable to provide data back all the way to FY2000.
 - Previous cash proffer report data was substituted for those jurisdictions.

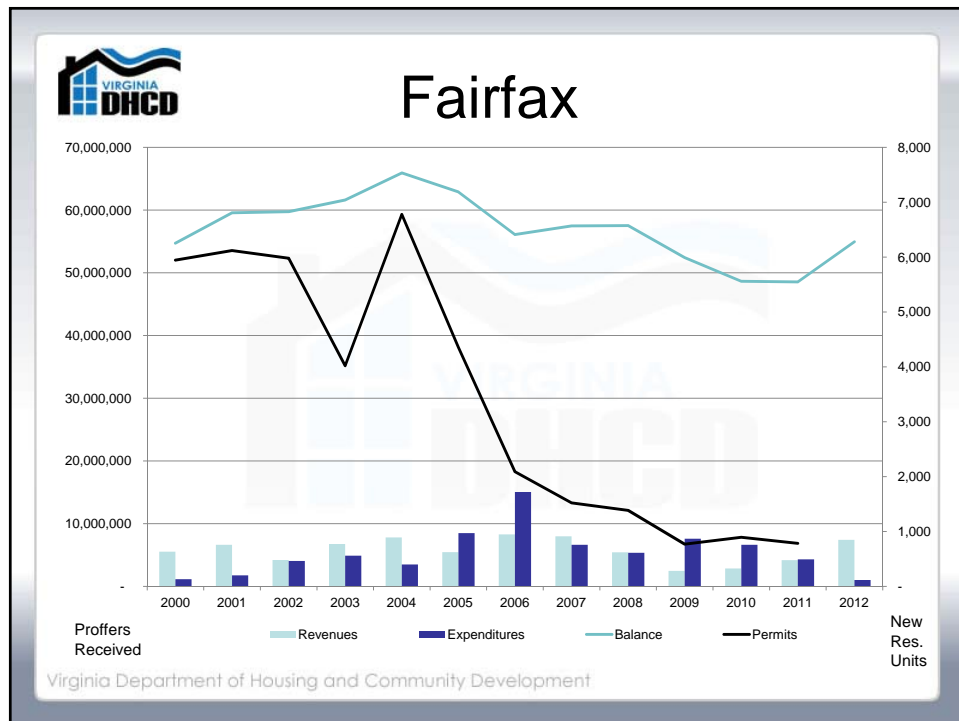
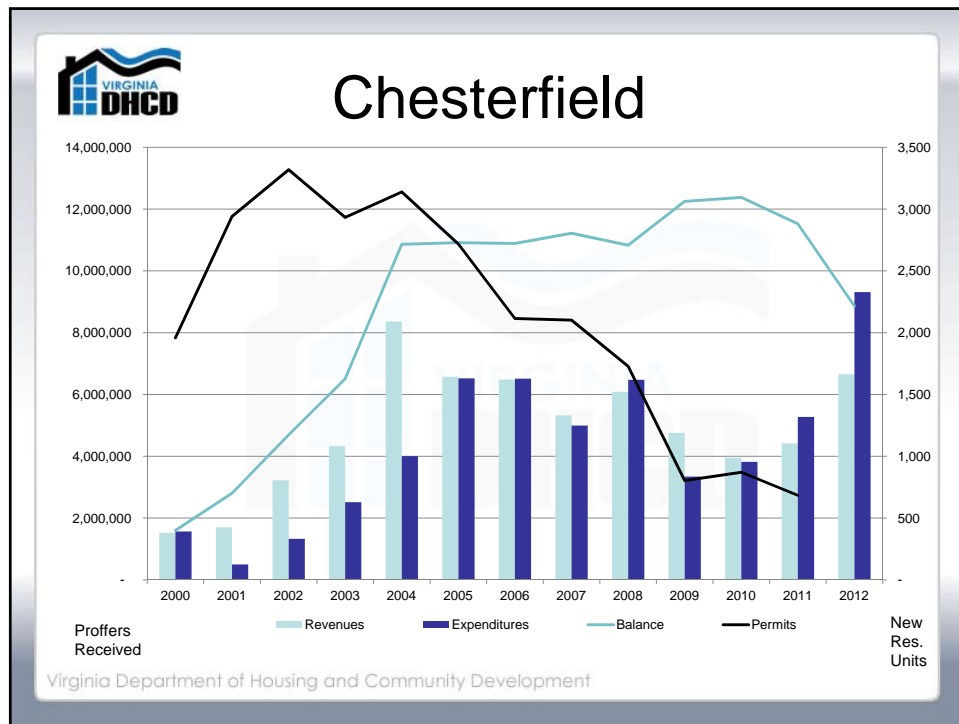
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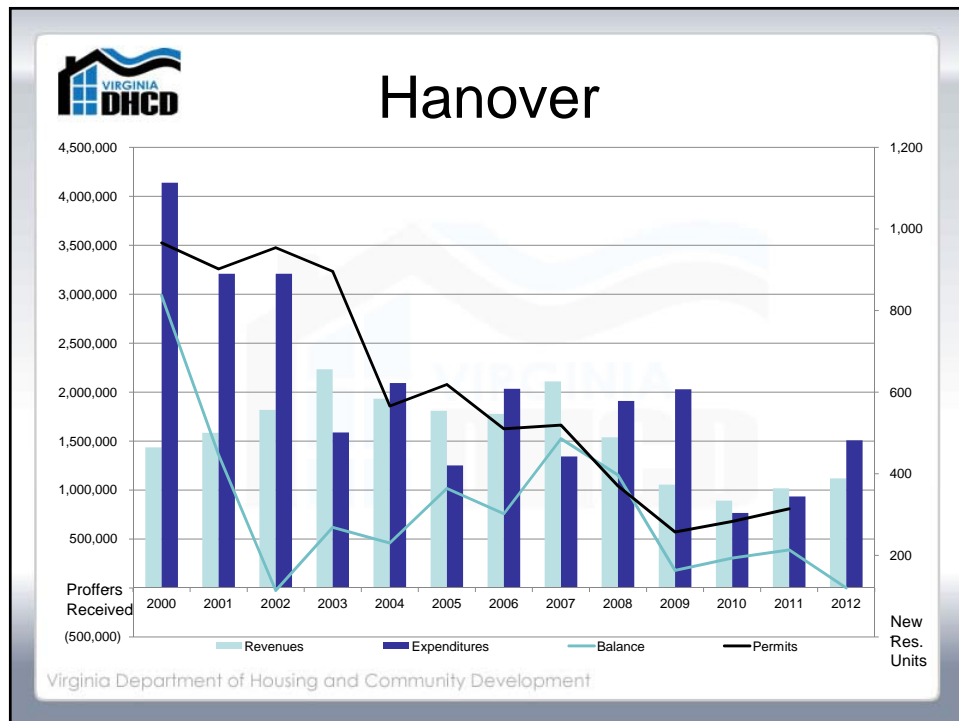
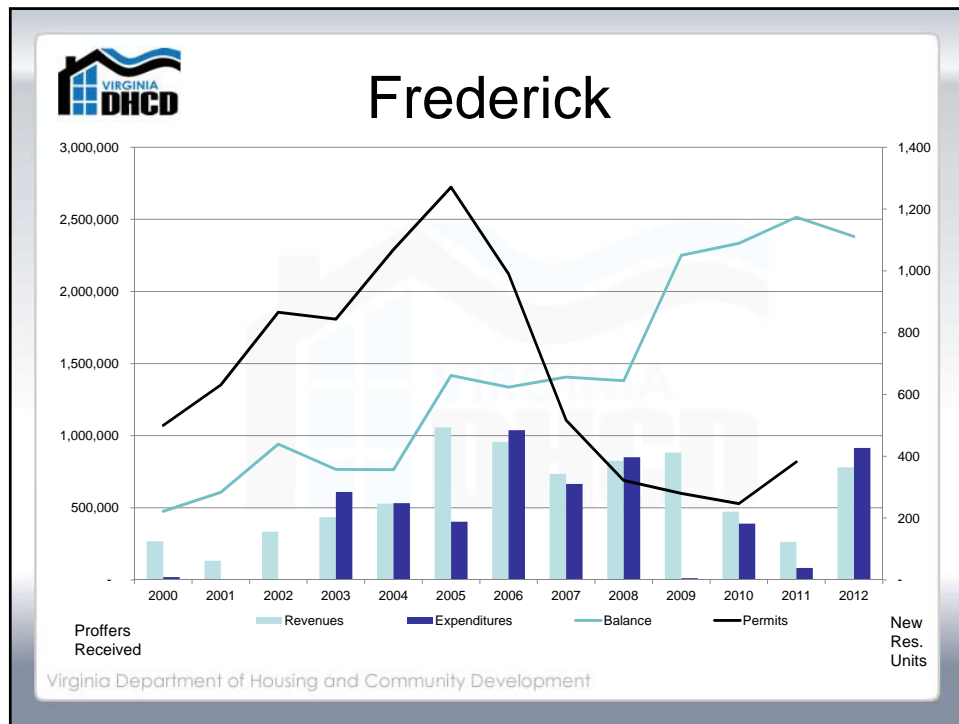


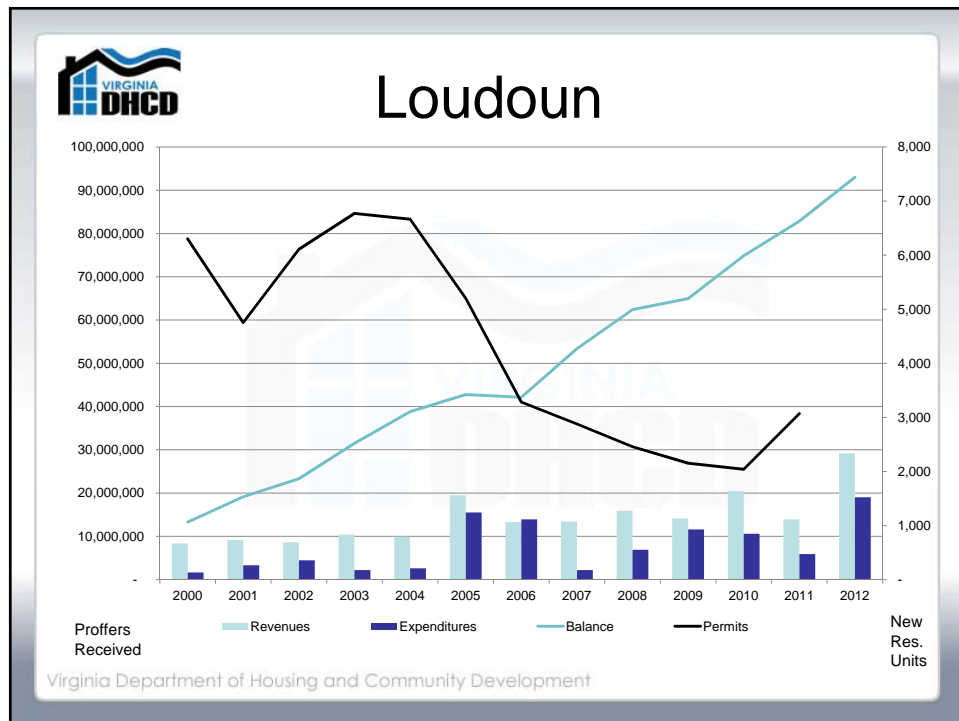
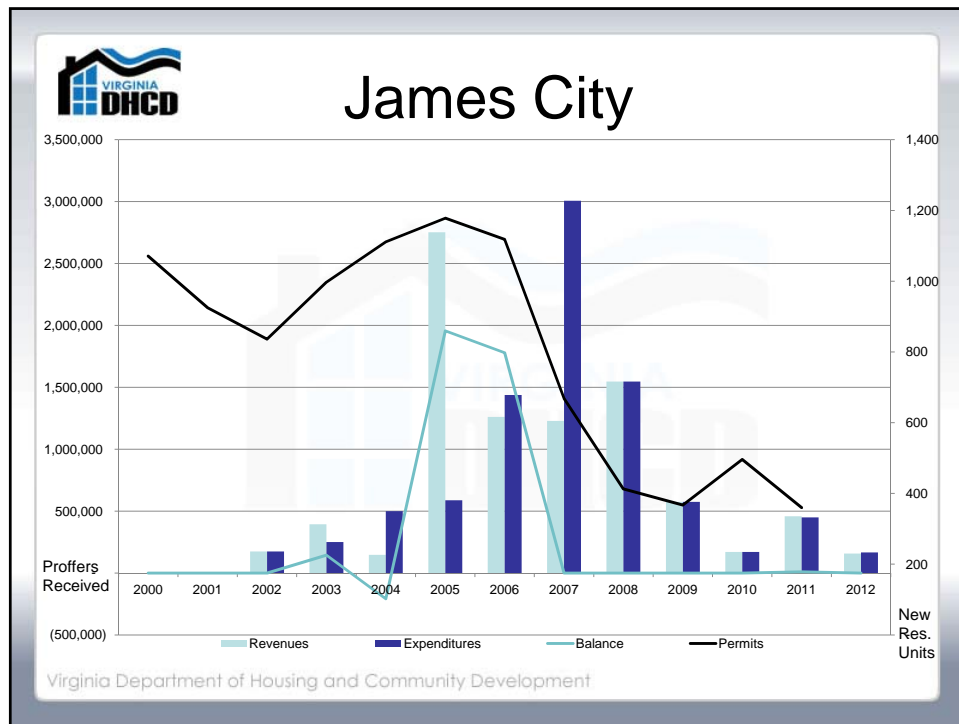
All Study Localities

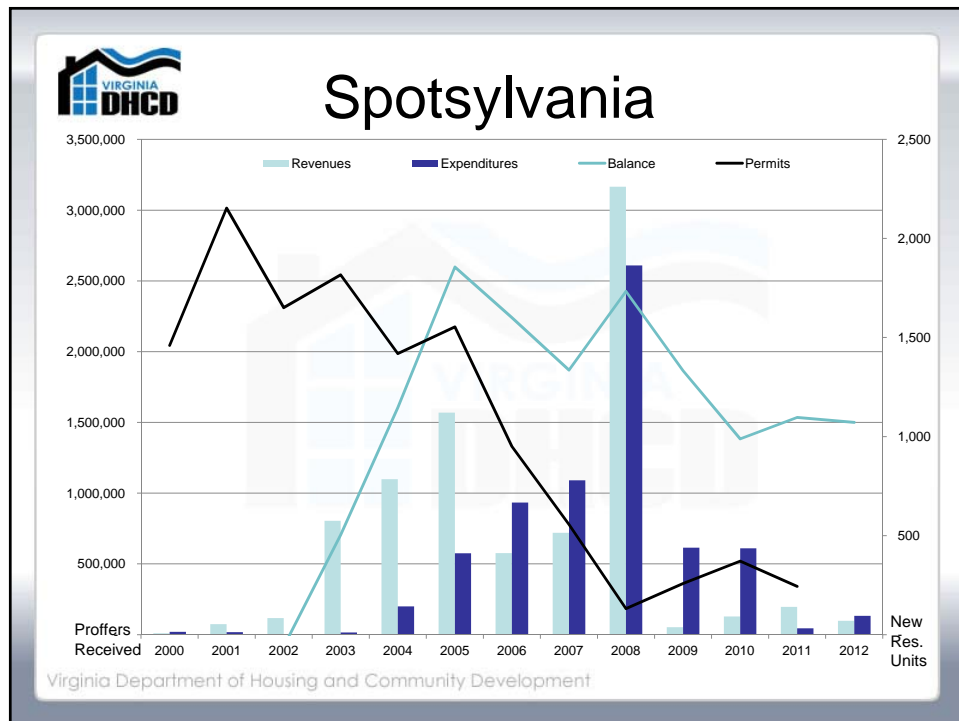
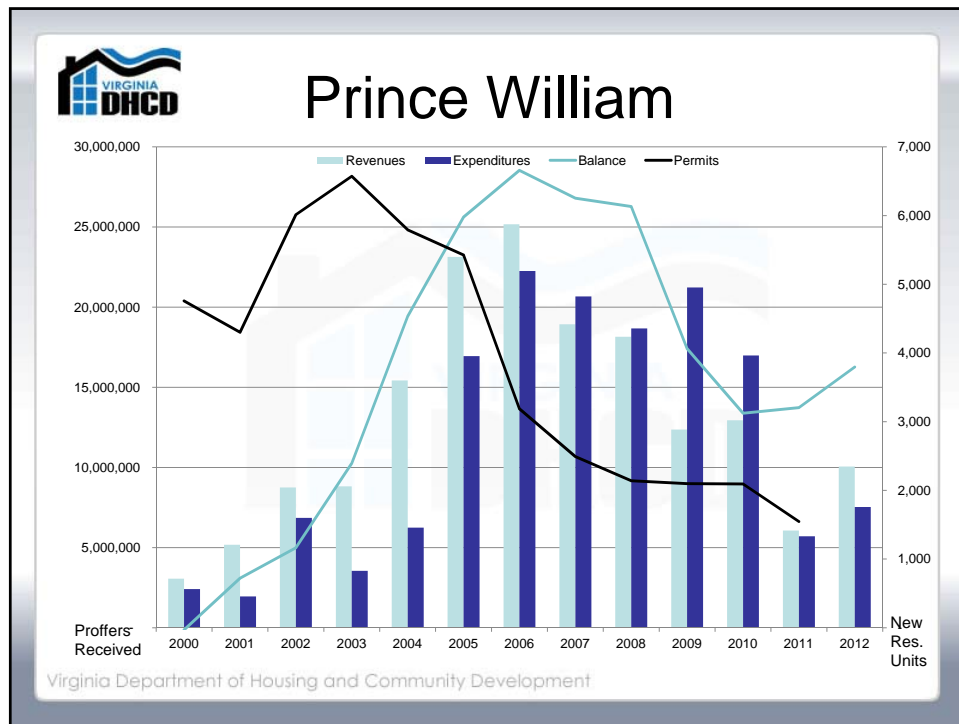














Questions?

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CASH PROFFER REVENUES AND EXPENDITURES FOR SELECT LOCALITIES, FY00-FY12

<u>Chesterfield</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues	\$ 1,519,664	\$ 1,702,000	\$ 3,221,130	\$ 4,326,736	\$ 8,358,492	\$ 6,575,536	\$ 6,482,511	\$ 5,323,634	\$ 6,085,735	\$ 4,757,892	\$ 3,949,758	\$ 4,421,828	\$ 6,655,960
Expenditures	<u>\$ 1,566,626</u>	<u>\$ 499,300</u>	<u>\$ 1,329,449</u>	<u>\$ 2,516,702</u>	<u>\$ 4,003,728</u>	<u>\$ 6,519,766</u>	<u>\$ 6,510,914</u>	<u>\$ 4,992,700</u>	<u>\$ 6,474,618</u>	<u>\$ 3,340,216</u>	<u>\$ 3,818,450</u>	<u>\$ 5,276,024</u>	<u>\$ 9,315,278</u>
Balance	\$ 1,599,862	\$ 2,802,562	\$ 4,694,243	\$ 6,504,277	\$ 10,859,041	\$ 10,914,811	\$ 10,886,408	\$ 11,217,342	\$ 10,828,459	\$ 12,246,135	\$ 12,377,443	\$ 11,523,247	\$ 8,863,929
Building Permits	1958	2941	3319	2933	3138	2717	2114	2102	1728	803	871	684	
<u>Fairfax</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues	\$ 5,523,415	\$ 6,620,812	\$ 4,204,831	\$ 6,761,874	\$ 7,815,029	\$ 5,455,536	\$ 8,281,108	\$ 7,989,115	\$ 5,432,929	\$ 2,472,870	\$ 2,854,260	\$ 4,193,562	\$ 7,434,375
Expenditures	<u>\$ 1,140,732</u>	<u>\$ 1,765,585</u>	<u>\$ 4,045,436</u>	<u>\$ 4,886,589</u>	<u>\$ 3,498,528</u>	<u>\$ 8,500,214</u>	<u>\$ 15,060,619</u>	<u>\$ 6,621,011</u>	<u>\$ 5,367,512</u>	<u>\$ 7,592,157</u>	<u>\$ 6,622,134</u>	<u>\$ 4,296,952</u>	<u>\$ 1,022,870</u>
Balance	\$ 54,726,182	\$ 59,581,409	\$ 59,740,804	\$ 61,616,089	\$ 65,932,590	\$ 62,887,912	\$ 56,108,401	\$ 57,476,505	\$ 57,541,922	\$ 52,422,635	\$ 48,654,761	\$ 48,551,371	\$ 54,962,876
Building Permits	5944	6121	5979	4020	6780	4353	2089	1521	1385	769	896	785	
<u>Frederick</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues	\$ 268,465	\$ 132,169	\$ 334,237	\$ 434,811	\$ 529,135	\$ 1,057,684	\$ 956,832	\$ 734,708	\$ 824,963	\$ 882,922	\$ 473,690	\$ 263,346	\$ 780,435
Expenditures	<u>\$ 1,140,732</u>	<u>\$ 1,765,585</u>	<u>\$ 4,045,436</u>	<u>\$ 4,886,589</u>	<u>\$ 3,498,528</u>	<u>\$ 8,500,214</u>	<u>\$ 15,060,619</u>	<u>\$ 6,621,011</u>	<u>\$ 5,367,512</u>	<u>\$ 7,592,157</u>	<u>\$ 6,622,134</u>	<u>\$ 4,296,952</u>	<u>\$ 1,022,870</u>
Balance	\$ 475,803	\$ 607,972	\$ 941,708	\$ 766,519	\$ 763,777	\$ 1,417,802	\$ 1,336,987	\$ 1,405,994	\$ 1,380,371	\$ 2,251,292	\$ 2,334,457	\$ 2,514,803	\$ 2,380,874
Building Permits	500	631	866	844	1069	1271	991	517	322	280	247	382	
<u>Hanover</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues	\$ 1,436,491	\$ 1,585,434	\$ 1,819,026	\$ 2,234,215	\$ 1,933,288	\$ 1,809,191	\$ 1,777,150	\$ 2,109,188	\$ 1,539,478	\$ 1,054,786	\$ 891,248	\$ 1,018,395	\$ 1,118,739
Expenditures	<u>\$ 4,139,628</u>	<u>\$ 3,209,238</u>	<u>\$ 3,209,237</u>	<u>\$ 1,588,230</u>	<u>\$ 2,093,869</u>	<u>\$ 1,252,158</u>	<u>\$ 2,033,921</u>	<u>\$ 1,343,617</u>	<u>\$ 1,909,480</u>	<u>\$ 2,029,170</u>	<u>\$ 765,530</u>	<u>\$ 934,888</u>	<u>\$ 1,507,599</u>
Balance	\$ 2,986,799	\$ 1,362,995	\$ (27,216)	\$ 618,769	\$ 458,188	\$ 1,015,221	\$ 758,450	\$ 1,524,021	\$ 1,154,019	\$ 179,635	\$ 305,353	\$ 388,860	\$ -
Building Permits	966	902	954	896	566	619	510	519	370	257	283	314	
<u>James City</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues	\$ -	\$ -	\$ 173,817	\$ 394,442	\$ 147,252	\$ 2,752,167	\$ 1,260,754	\$ 1,228,591	\$ 1,546,080	\$ 575,007	\$ 169,766	\$ 458,333	\$ 156,929
Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,817</u>	<u>\$ 250,000</u>	<u>\$ 500,000</u>	<u>\$ 587,890</u>	<u>\$ 1,438,159</u>	<u>\$ 3,007,157</u>	<u>\$ 1,546,080</u>	<u>\$ 575,007</u>	<u>\$ 169,766</u>	<u>\$ 448,946</u>	<u>\$ 166,315</u>
Balance	\$ 0	\$ 0	\$ 0	\$ 144,442	\$ (208,306)	\$ 1,955,971	\$ 1,778,566	\$ -	\$ -	\$ -	\$ -	\$ 9,387	\$ -
Building Permits	1071	925	836	997	1111	1178	1118	669	413	367	496	360	
<u>Loudoun</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues	\$ 8,329,776	\$ 9,155,774	\$ 8,623,863	\$ 10,396,500	\$ 9,937,015	\$ 19,470,266	\$ 13,280,014	\$ 13,449,612	\$ 15,915,512	\$ 14,143,290	\$ 20,490,779	\$ 13,941,546	\$ 29,147,670
Expenditures	<u>\$ 1,651,968</u>	<u>\$ 3,309,638</u>	<u>\$ 4,475,894</u>	<u>\$ 2,220,465</u>	<u>\$ 2,591,605</u>	<u>\$ 15,520,730</u>	<u>\$ 13,921,918</u>	<u>\$ 2,198,628</u>	<u>\$ 6,907,849</u>	<u>\$ 11,588,140</u>	<u>\$ 10,607,175</u>	<u>\$ 5,903,879</u>	<u>\$ 19,026,633</u>
Balance	\$ 13,314,278	\$ 19,160,414	\$ 23,308,383	\$ 31,484,418	\$ 38,829,828	\$ 42,779,364	\$ 42,137,460	\$ 53,388,444	\$ 62,396,107	\$ 64,951,258	\$ 74,834,862	\$ 82,872,529	\$ 92,993,566
Building Permits	6300	4753	6108	6770	6664	5199	3284	2878	2457	2154	2041	3070	
<u>Prince William</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues	\$ 3,059,440	\$ 5,180,942	\$ 8,753,717	\$ 8,817,401	\$ 15,430,408	\$ 23,135,471	\$ 25,170,900	\$ 18,930,554	\$ 18,157,785	\$ 12,363,589	\$ 12,946,437	\$ 6,066,975	\$ 10,063,877
Expenditures	<u>\$ 2,412,473</u>	<u>\$ 1,955,332</u>	<u>\$ 6,858,984</u>	<u>\$ 3,555,343</u>	<u>\$ 6,248,264</u>	<u>\$ 16,950,520</u>	<u>\$ 22,252,095</u>	<u>\$ 20,672,768</u>	<u>\$ 18,677,700</u>	<u>\$ 21,225,264</u>	<u>\$ 16,982,665</u>	<u>\$ 5,709,766</u>	<u>\$ 7,532,880</u>
Balance	\$ (129,445)	\$ 3,096,165	\$ 4,990,898	\$ 10,252,956	\$ 19,435,100	\$ 25,620,051	\$ 28,538,856	\$ 26,796,642	\$ 26,276,727	\$ 17,415,052	\$ 13,378,824	\$ 13,736,033	\$ 16,267,030
Building Permits	4758	4301	6014	6572	5792	5427	3187	2491	2139	2099	2093	1545	
<u>Spotsylvania</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues	\$ 10,000	\$ 74,430	\$ 117,537	\$ 804,335	\$ 1,098,570	\$ 1,568,786	\$ 576,078	\$ 719,969	\$ 3,165,871	\$ 52,961	\$ 128,776	\$ 196,649	\$ 97,447
Expenditures	<u>\$ 20,000</u>	<u>\$ 17,500</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 200,000</u>	<u>\$ 575,091</u>	<u>\$ 933,665</u>	<u>\$ 1,090,236</u>	<u>\$ 2,609,574</u>	<u>\$ 614,541</u>	<u>\$ 610,452</u>	<u>\$ 44,628</u>	<u>\$ 132,898</u>
Balance	\$ (258,038)	\$ (201,109)	\$ (83,572)	\$ 705,764	\$ 1,604,334	\$ 2,598,029	\$ 2,240,442	\$ 1,870,175	\$ 2,426,472	\$ 1,864,892	\$ 1,383,216	\$ 1,535,237	\$ 1,499,786
Building Permits	1460	2153	1651	1816	1419	1554	950	556	131	258	371	244	

Revenue and expenditure data for Fairfax County was only provided from FY03-present, and for James City County from FY09-present. Archived data was substituted for these values.

Balance information was provided only for FY12. Prior year balances were imputed from the FY12 balance and prior year revenue and expenditure data.

Building Permit information is from the Weldon Cooper Center. FY12 data is not yet available.